

6 MAY 2023

NATIONAL LAW UNIVERSITY, JODHPUR

End Term Examination April-May 2023

Semester: U.G. VIII

Subject: Banking & Finance

Time: Three Hours

Marks: 100

Instructions:

- (1) The question paper contains six (06) questions out of which the student must attempt five (05) questions.
- (2) No materials, aids and instruments are permitted, in this examination.
- (3) Students must start each answer by clearly identifying to which question they are responding.
- (4) All questions carry equal marks

Q.1). "It is the uneasy and tumultuous relationship between the Governor (of RBI) and the Finance Ministry that has majorly shaped the discourse on semi-autonomous existence of RBI." Critically analysing the above statement, suggest measures which would help maintain the delicate balance between government's power to regulate economic policies and RBI's autonomy to control inflation and credit flow in the country.

(Marks: 20)

Q.2). "The Dual control of public banking companies in India has straddled their growth and efficiency. The conditions which necessitated the 'Nationalization' of banks have dissipated and there are demands to 'reverse' the process." Examine the above statement in the light of recent developments and reforms concerning the governance and functioning of public sector banks in India.

(Marks: 20)

Q.3). Although the demonetization of high denomination currency notes of 1978 and 2016 were similar in objectives, there were serious differences in their legal process and manner of implementation. It is due to these differences that the constitutional validity of demonetization of 2016 was challenged before the Hon'ble Supreme Court of India in *Vivek Narayan Sharma v. Union of India* (2023). Examine the issues that were dealt by the Supreme Court of India in the abovementioned judgment and highlight how it was different from the exercise of 1978.

(Marks: 20)

Q.4). Discuss the importance of 'Securitisation' for the survival of banking and financial industry. What are the existing challenges faced by the Asset Reconstruction



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Companies (ARCs) under the SARFAESI framework?

(Marks: 20)

Q.5). What are the different asset reconstruction measures permitted to an Asset Reconstruction Company (ARC) under SARFAESI? Examine the conditions and circumstances in the management of the defaulting borrower can be replaced by an ARC.

(Marks: 20)

Q.6). Write short notes on:

- a) Bank Board Bureau
- b) Legal validity of Islamic banking in India.

(Marks: 10*2=20)